

The future of Europe

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The goal of this volume is to contribute to achieving a better, more social and more sustainable Europe. Questions currently hang over the nature of Europe, the future of the European Union (EU) and the ongoing political and economic development of our continent. These debates are clouded by Brexit, the lack of a common asylum and migration policy and the upsurge in nationalistic politics.

The volume begins by exploring some fundamental issues surrounding Europe's future. Its' key message is that it is more important than ever to defend and promote democratic and humanist principles. Workplace democracy and the democratisation of the economy will play key roles in our journey towards a fairer society, and the book describes some of the political and legislative initiatives required to support this. The role of trade unions is to campaign for more involvement in corporate governance to build democratic workplaces.

The spectre of the financial crisis continues to loom large. So, an additional focus of this volume is to ask what needs to be done to ensure every citizen of the EU benefits from economic recovery? There is great potential for improving working and living conditions through social dialogue, and the authors call for its revival. Strong and assertive trade unions are still the most reliable representatives of working people, but they need to evolve. Their enthusiasm for policies for building Europe will determine whether they play a meaningful role in shaping its future. Finally, populist propaganda against Brussels is gaining an audience among trade union members, which represents a challenge for pro-European trade unions seeking to exercise their power to shape policies.

Key findings

- Europe urgently needs a thorough debate about its political, social, economic and ecological future.
- A new decision-making structure must be developed.
- The European approach to multinational companies is unilateral and business friendly, missing opportunities to promote more democracy at work. If democracy at work suffers, then democracy in society suffers as well. An alternative approach is possible, based on a new concept of internal market and corporate governance.



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- While profit as share of GDP has been on an increasing trend for the last 30 years, at least in the EU, private investment as a share of GDP is decreasing.
- Growth in profits distributed to shareholders in the EU exceeded both the growth in net profits and in GDP in the last 20 years.
- The income share of the 1% the richest increased significantly, mainly at the expense of the middle class.
- At the bipartite level, the recent outcomes of social dialogue have been diverse with some positive initiatives (the AAIA Agreement and the Social Dialogue Committee subgroup), but also some missed opportunities with these two consultations as well as mixed outcomes from others, such as the Inclusive Labour Markets Agreement or the Joint Labour Market Analysis.
- All studies conducted in recent years without exception highlight the political will of ETUC affiliates to strengthen European social dialogue. Despite the difficulties encountered, most member organisations believe social dialogue provides added value to workers, regardless of the sector or region concerned. One of its main benefits is that it brings the social partners into the EU decision-making processes.

Related publications

Social policy in the European Union: state of play 2018
ETUI, OSE, 2018
Bart Vanhercke, Dalila Ghailani and Sebastiano Sabato
196 pages

Benchmarking Working Europe 2019
ETUI, ETUC 2019
104 pages

Recommendations

- We call for a new “European Covenant”, meaning that decisions should be taken via a much more transparent democratic platform.
- The European Union must develop a new form of corporate governance for firms and say goodbye to the shareholder-oriented approach. The proposal of a new legal framework for information, consultation and board-level representation must be put into practice. A concrete proposal based on a genuine European approach, which is explained in detail in the volume, must be implemented.
- The diversion of investment away from the real economy that has been ongoing since the 1980s is creating a vicious circle of declining growth and investment. It can be resolved either by means of fiscal intervention, though public deficit-spending, and/or by means of monetary intervention, through additional quantitative easing.
- Corporate tax rates and personal income tax rates should be higher and more progressive. But there is also an urgent need to reverse the decline in the wage share of growth. Financial regulation needs to be relaunched, and not only that of the banking system, in order to disincentivise diverting profit towards financial activities. This will prevent an increase in inequality and, in doing so, bring more stability to the financial markets.
- As social dialogue is now in its mature phase, with social partners having some agenda-setting power, it is necessary to opt for a more qualitative approach and to analyse the strengths and weaknesses of the process at all levels. The new autonomous Work Programme 2019-2021 must be a new step in this direction towards stronger social dialogue. In addition to identifying issues of common interest, the European social partners will also need to identify which binding instruments will enable them to address these issues more effectively at cross-industry and sectoral levels.
- It is crucial for the ETUC to identify the key challenges of and possible improvements to be made to European social dialogue, while re-considering its own role, responsibilities and possible levels of involvement. Such an endeavour should involve all the key drivers of European social dialogue, be they political, strategic or institutional, as well as securing the support of the Member States, the European Parliament, the European Commission (in its role as the ‘shadow of the law’), expert negotiators, the unity and coherence of national and European trade union strategies and, probably most importantly, the political willingness of the social partners to engage in social dialogue.

